

IRS News Release

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IRS Announces Enhancements to Online Payment Agreement Application

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WASHINGTON — With the filing deadline approaching, the IRS today announced enhancements to the interactive Online Payment Agreement application on IRS.gov.

The Web-based application allows eligible taxpayers or their authorized representatives to self-qualify, apply and receive immediate notification of approval for installment agreements – including paperless direct debit agreements.

Two recent enhancements provide added functionality. The first permits individuals who have not yet received a bill to establish pre-assessed agreements on current tax year Form 1040 liabilities. The second allows practitioners with valid authorizations to remain in the application to request agreements for multiple clients.

The IRS estimates that over 75% of those eligible for an installment agreement can establish one using this application. Since launching in October, about 3,000 taxpayers have successfully used it to set up a payment agreement with the IRS.

Paying taxes on time and in full avoids unnecessary penalties and interest. However, taxpayers who cannot pay in full may request a payment agreement. To be eligible, a taxpayer must first file all required tax returns and be current with estimated tax payments if applicable.

Individuals with a balance due notice can access the application using the following information:

- Taxpayer identification number (generally a Social Security Number) and
- Personal identification number, which can be established online using the caller identification number from the balance due notice.

Individuals who have not yet received a bill must provide the following information to establish pre-assessed agreements on current year returns:

- The balance due shown on the return

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- Taxpayer identification number
- Spouse's taxpayer identification number (if applicable)
- Date of birth
- Adjusted Gross Income from last year's income tax return
- Total tax from last year's income tax return.

Three payment options are available when applying online:

- Pay in full — Taxpayers who pay within 10 days save interest and penalties.
- Short-term extension — Receive a short-term extension of up to 120 days. No fee is charged, but additional penalties and interest will accrue.
- Monthly payment plan — A user fee will be added to the amount owed, and interest and penalty will continue to accrue on the unpaid balance. User fees are \$105 for non-direct debit agreements and \$52 for direct debit agreements. A reduced fee of \$43 is available for individuals with income at or below certain levels.

To access the application, use the pull-down menu under "I need to..." on the front page of IRS.gov and select "Set Up a Payment Plan." The application is available Monday through Friday from 6 a.m. to 12:30 a.m., Saturday from 6 a.m. to 10 p.m. and Sunday from 4 p.m. to midnight (all are Eastern Time).